PRESS RELEASE

Internal Revenue Service - Criminal Investigation
Chief Richard Weber

Date: April 1, 2016

Contact: *CI-HQ-COMMUNICATIONSEDUCATION@ci.irs.gov
IRS – Criminal Investigation

CI Release #: CI-2016-04-01-B

Houston Psychiatrist Sentenced to 144 Months in Prison for Role in $158 Million Medicare Fraud Scheme

A Houston psychiatrist was sentenced today to 144 months in prison for her role in a $158 million Medicare fraud scheme involving false claims for mental health treatment.

Assistant Attorney General Leslie R. Caldwell of the Justice Department's Criminal Division, U.S. Attorney Kenneth Magidson of the Southern District of Texas, Special Agent in Charge Perrye K. Turner of the FBI's Houston Field Office, Special Agent in Charge C.J. Porter of the U.S. Department of Health and Human Services-Office of Inspector General (HHS-OIG) Dallas Region, Special Agent in Charge D. Richard Goss of the Internal Revenue Service-Criminal Investigation (IRS-CI) Houston Field Office and the Texas Attorney General's Medicaid Fraud Control Unit (MFCU) made the announcement.

Sharon Iglehart, 58, a former attending psychiatrist at Riverside General Hospital (Riverside) of Houston, was sentenced by U.S. District Judge Ewing Werlein Jr. of the Southern District of Texas. Judge Werlein also ordered Iglehart to pay $6,363,528.82 in restitution and to forfeit the same amount.

On Sept. 10, 2015, following a seven-day trial, a jury convicted Iglehart of one count of conspiracy to commit health care fraud, one count of health care fraud and three counts of making false statements relating to health care matters.

According to evidence presented at trial, from 2006 until June 2012, Iglehart and others engaged in a scheme to defraud Medicare by submitting through Riverside approximately $158 million in false and fraudulent claims to Medicare for partial hospitalization program (PHP) services, an intensive outpatient treatment for severe mental illness. The evidence presented at trial showed that the Medicare beneficiaries for whom Riverside billed Medicare did not receive PHP services. In fact, evidence proved that most of the Medicare beneficiaries rarely saw a psychiatrist and did not receive intensive psychiatric treatment at all.

In addition, evidence presented at trial showed that Iglehart personally billed Medicare for individual psychotherapy and other treatment purportedly provided to patients at Riverside locations – treatment that she never provided. Further, Iglehart falsified the medical records of

patients at Riverside's inpatient facility to make it appear as if she provided psychiatric treatment when she did not, the evidence showed.

To date, 12 other individuals have been convicted based on their roles in this scheme, including Earnest Gibson III, 71, of Houston, the former president of Riverside; Earnest Gibson IV, 38, of Pearland, Texas, the operator of one of Riverside's PHP satellite locations; Regina Askew, 50, of Houston, a group home owner and patient file auditor; and Robert Crane, 59, of Spring, Texas, a patient recruiter, who were all convicted after a jury trial in October 2014. Earnest Gibson III was sentenced to 45 years in prison; Earnest Gibson IV was sentenced to 20 years in prison; Askew was sentenced to 12 years in prison; and Crane has not yet been sentenced. Mohammad Khan, 66, of Houston, an assistant administrator at the hospital, who managed many of the hospital's PHPs, pleaded guilty and was sentenced to 40 years in prison.

The FBI, HHS-OIG, IRS-CI and the MFCU investigated the case with assistance from the Railroad Retirement Board's Office of Inspector General and the Office of Personnel Management's Office of Inspector General. The case was brought as part of the Medicare Fraud Strike Force, under the supervision of the Criminal Division's Fraud Section and the U.S. Attorney's Office for the Southern District of Texas. Assistant Chiefs Laura M.K. Cordova and Ashlee C. McFarlane of the Fraud Section are prosecuting the case.

Since its inception in March 2007, the Medicare Fraud Strike Force, now operating in nine cities across the country, has charged over 2,300 defendants who collectively have billed the Medicare program for over $7 billion. In addition, the HHS Centers for Medicare & Medicaid Services, working in conjunction with the HHS-OIG, are taking steps to increase accountability and decrease the presence of fraudulent providers.

# # #